



Branch Banking & Trust Co.

P.O. Box 819
Wilson, NC 27894-0819

July 17, 2008

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Docket No. R-1315, Truth In Savings (Regulation DD)

Dear Ms. Johnson:

Branch Banking and Trust Company and its affiliated banks and subsidiaries of BB&T Corporation (BB&T) appreciate the opportunity to comment on the Board's proposed amendments to Regulation DD related to overdrafts.

BB&T, with more than \$136 billion in assets, is the nation's 14th largest financial holding company and operates nearly 1,500 financial centers in the Carolinas, Virginia, Maryland, West Virginia, Kentucky, Tennessee, Georgia, Florida, Alabama, Indiana and Washington, D.C.

BB&T is a strong advocate of thorough, complete and effective disclosures of deposit account terms, conditions and fees that assist consumers in making informed choices about financial products and services. We are supportive of the Board's intent to ensure that consumers are adequately informed about account terms and costs related to overdrafts on their accounts. BB&T's consumer deposit account disclosures have for many years included a number of the items from the Board's proposal, including the following:

- The categories of transactions which may overdraw an account and are subject to overdraft fees
- The dollar amount of fees for overdrawing an account and of daily fees for accounts that remain overdrawn
- The fact that more than one overdraft fee may be assessed in a single day
- The consumer's right to opt out from having any overdrafts paid and the procedure for exercising this right

Additionally, to help our clients avoid initiating transactions that might result in an overdraft, BB&T provides its depositors with a variety of convenient methods for

confirming the current available balance in their account that are accessible 24 hours a day at no cost, including:

- A toll-free automated telephone inquiry system
- Balance and transaction inquiries via text message from a cell phone or mobile device
- Balance inquiries at BB&T ATMs
- OnLine Banking
- Automated alerts, via e-mail or text message to a cell phone, that notify the depositor if their account's available balance falls below a dollar amount that they have specified

It should be noted that the available balances reported in these automated systems include only those amounts available for withdrawal and exclude any additional amounts available from associated overdraft lines of credit or potentially available due to the discretionary payment of an overdraft. Also, information on "pending" transactions, such as debit card purchases which have been authorized but not yet posted to the consumer's account, are available through our OnLine Banking and automated telephone inquiry systems.

BB&T also provides a number of alternative services for covering NSF transactions without incurring an overdraft, including automated transfers to cover overdrafts from a designated savings account, credit card account, home equity line of credit, or overdraft line of credit.

BB&T is therefore supportive of the following provisions of the proposed amendment, which we believe provide relevant and meaningful information to consumer depositors in an effective, useful and timely manner:

- Disclosure of the consumer's right to opt out of payment of overdrafts and the method(s) for exercising this right, given prior to the assessment of any overdraft fees
- The provision that "grandfathers" existing accounts from the initial, but not subsequent, disclosure requirement above
- Disclosure of the categories of transactions which may overdraw an account and result in overdraft fees
- Disclosure of the dollar amounts of fees for payment of an overdraft, including daily fees
- The lowest dollar amount of overdraft for which an overdraft fee may be assessed
- Any daily and/or statement period dollar limits on the amount of overdraft fees that may be assessed, or the absence of any limits on overdraft fees
- Disclosure of information on other overdraft services and credit products available for the payment of overdrafts.

BB&T is particularly supportive of the provision that allows the institution to explain the potential consequences of opting out of payment of overdrafts. It is important that consumers be aware of additional costs that can be incurred if an NSF check or other payment is returned unpaid, rather than being paid into overdraft, including bank NSF fees and merchant return check and late payment fees. Additionally, consumers should clearly understand the potential embarrassment and inconvenience of having their debit card POS or ATM withdrawal transactions declined if their account has insufficient funds available. They should also be informed that debit card and ATM withdrawal transactions will be declined if there are insufficient funds available in the account, even if the consumer deposits additional funds later in the day to cover the transaction.

BB&T has concerns and other issues with other provisions of the proposed amendment, as noted below:

Content and Consistency for Initial and Subsequent Disclosures

BB&T believes that the proposed content, provided in a disclosure given prior to the first assessment of an overdraft fee, provides sufficient information to the consumer to evaluate the services available for covering transactions presented against insufficient funds and to decide if he or she wishes to opt out of any potential discretionary payment of overdrafts by the bank or choose from the alternative services.

We disagree with the proposal to require that subsequent disclosures, provided during statement periods in which an overdraft fee is assessed, provide all of the same information in a similar format as the initial disclosure. We believe that a more effective method for the subsequent disclosures would be to include in the periodic statement, or alternately, in the overdraft notice sent to the consumer, a brief statement reiterating the consumer's right to opt out of potential discretionary payment of overdrafts by the bank and that other alternatives are available, along with instructions for obtaining additional and more detailed information about and enrolling in the alternative programs or exercising the opt out rights.

As noted above, BB&T offers a variety of services available to consumers to track the available balance in their accounts and to cover transactions presented against insufficient funds without overdrawing their accounts. It would not be feasible to include a thorough explanation of these alternatives in the limited space available on overdraft notices or periodic statements. We also note that there would be considerable printing and postage expense involved in adding the necessary additional verbiage to periodic statements and notices; in BB&T's case, our overdraft notices currently are printed on postcard size forms and inclusion of all of the initial opt out disclosure information would likely force us to begin using a larger and more expensive format, the costs for which would be indirectly borne by our depositors. We see no value in reiterating the disclosure of the bank's overdraft fee amounts, which will have been disclosed in the same overdraft notice and periodic statement. We also note that the overdraft notice is likely to be

received by the consumer when he or she is likely to be most focused on the overdraft, and will generally be received sooner than the depositor's periodic statement, and thus provide more time for the consumer to take advantage of the alternatives and avoid additional overdraft fees.

BB&T urges the Board to allow subsequent opt out disclosures to be limited to a brief statement describing the consumer's opt out rights and that other alternatives are available, and direct the consumer to a toll-free number, bank website, branch office or other location where more complete and detailed information on exercising the opt out rights and the alternative services is readily available.

Check-Off Mail In Form and Electronic Entry For Exercising Opt out Rights

In its proposal, the Board requests comment on potential requirements that consumers be provided check-off forms to mail in to their institution to exercise their opt out rights, or, for consumers who have agreed to electronic delivery of information, the ability to opt out electronically. BB&T believes that electronic entry of opt out requests, via a toll-free automated telephone system, the institution's website or other mechanisms, is the lowest cost, fastest and most accurate method for consumers to exercise their opt out rights, and should be made available to all consumers, whether or not they have agreed to electronic delivery of information. Institutions offering electronic entry should not be required to provide a mail in check-off form.

Fee and Opt out Disclosures on Periodic Statements

BB&T has several concerns related to the requirements for disclosing aggregate dollar amount totals for statement period and calendar year-to-date for fees for paying overdrafts and for returning items unpaid on periodic statements. First, we believe that the rule should stipulate that the fee totals reported may be net of any fee refunds made. It is a routine practice at BB&T and many other institutions for overdrafts fees to be refunded in a number of circumstances, whether due to customer or bank error, such as miss-posted deposits, encoding errors on checks, addition errors in a client's check register, or other situations. It is not unusual for a single mistake, for example, an encoding error on a check, to result in multiple overdrafts fees, all of which may be refunded. Not allowing overdraft and return check fee refunds to be netted from the totals reported on periodic statements will give an inflated and inaccurate picture of the true costs to the consumer.

Additionally, bank deposit processing systems use various methods to accumulate and track fee totals, including both statement period and calendar month reporting. We believe institutions should be permitted to report fee totals for either statement period or calendar month, as either method will provide accurate figures for comparison purposes over time.

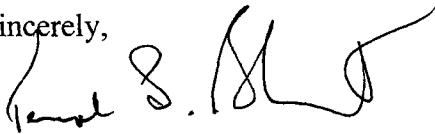
Finally, we believe the proposal is correct to require clear and conspicuous disclosure of overdraft and return item fee totals and of opt out disclosure information, but should not

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mandate their placement or relative proximity within the periodic statement. Periodic statement design and formatting is very complex and time-consuming and expensive to modify. We believe it is inappropriate for regulations to mandate the specifics of an institution's periodic statement layout, and that a requirement that the disclosures for overdraft fees and opt out information be clear and conspicuous is sufficient and serves the intended purposes.

Thank you for your consideration of our comments, and please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph S. Blount", with a stylized flourish at the end.

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